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Bill Pay Checklist
Best Practices to Boost Efficiency and Mitigate Risk

Firms that serve high-net-worth families need to maintain control over the bill pay process while improving efficiency, security and accuracy. Based on over 45 years of experience, we compiled this comprehensive checklist to serve as a guide for achieving operational excellence and safeguarding client assets.

Establish Clear and Transparent Procedures:

- Clearly define user roles in your bill pay system for approvers
- Use built-in workflows
- Use consistent format and require an invoice number to avoid duplicate payments
- When making electronic payments, require verbal confirmation of account details with recipient
- Review historical payments including past payment method prior to payment approvals
- If sending electronic payments, verify account information for accuracy and that details have not changed
- Confirm that there are controls in place that restrict changes to a payment after approval
- Consider segregating duties for controls, such as having another person reconcile bank accounts at month-end

Automation and Workflow:

- Use a bill pay system that automatically generates recurring invoices to avoid missing important payments
- Generate recurring invoice reminders 30 days in advance to avoid last minute approvals on reoccurring payments
- Make sure that you are using a bill pay system that can delegate workflow rules if someone is out of the office so payments are never delayed or missed
- Confirm that there are controls in place that restrict a user to make a payment outside of the workflow approval process
- Design a thoughtful workflow that includes additional payment approvers for larger dollar amounts:
  - One approval under $10,000
  - Two approvals up to $100,000
  - Require two approvals and client approvals over $100,000

Pay Bills from Anywhere and Centralize Documentation:

- Use a secure cloud-based solution for easy remote access
- Choose a system with a secure mobile application for client approvals from anywhere
- Implement a document management system to organize and track payment-related information
- Organize client data in a cloud-based system so that it can be accessed from anywhere (Including permanent files, DL copies, trust agreements, contracts, ID cards and insurance documents, etc. – not just payment related information)

Achieve operational excellence:

- Reconcile cash activity daily
- Close your books as close to the end of the month as possible
- Do not allow vendors to automatically debit accounts. Money should be pushed to vendors, so they always follow your workflow rules
- Eliminate paper checks where possible; paper checks open you up to the risk of fraud
- When sending checks, be sure to cancel and stop pay any items that are outstanding for more than 60 days

Measure Your Costs:

- Understand metrics around client and user transactions to help understand costs
- Look into ways to streamline the bill pay process
- Transactions can be counted by client or user

Maintain Timely Communication:

- Communicate regularly with clients to obtain approval for payments and keep them informed about upcoming bills; using a mobile app makes this easier
- Establish a reliable communication channel to address any client concerns promptly
- Give clients full visibility into their cash activity and account balances

Implement Robust Security Measures:

- Utilize secure and encrypted systems for handling financial transactions
- Regularly audit security protocols to safeguard client information
- Update security protocols to address emerging threats
- Monitor accounts for unusual or unauthorized activity
- Do not allow sharing of credentials within the firm
- Do not use stamps with approvers signatures on them

By following this checklist, firms serving high-net-worth families can enhance their bill payment processes, ensuring efficiency, security, and accuracy. Implementing these best practices will not only streamline operations but also safeguard client assets, fostering trust and satisfaction.

With over 45 years of experience guiding these recommendations, this checklist provides a solid foundation for managing bill payments effectively. Adopting these practices will help your firm navigate the complexities of bill pay with confidence, allowing you to focus on delivering exceptional value to your clients.